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Senate

The Senate met at 10 a.m. and was called to order by the Honorable JON TESTER, a Senator from the State of Montana.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Lord God, as we continue to mourn the carnage which happened at Virginia Tech and the flags fly half-mast, give us the determination to bring good from evil and sanity from insanity. May this horrific shooting prompt us to humble ourselves and pray and seek Your face and turn from wickedness. Permit our pain and anguish to force us to examine what contributions we may be making in romanticizing a culture of violence. May the shooting in Blacksburg, VA, keep us alert to the battle we fight against principalities, powers, and evil in our world.

Use our Senators today as agents of reconciliation as they remember that in everything, You are working for the good of those who love You. Hear our prayer, forgive our sins, and heal our land. We pray in Your merciful Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JON TESTER led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 17, 2007.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JON TESTER, a Senator from the State of Montana, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. TESTER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, this morning the Senate will be in a period of morning business for 60 minutes, with Senators permitted to speak for up to 10 minutes each. The first half of morning business is controlled by the Republican leader or his designee or designees and the last portion controlled by the majority. Following morning business, the Senate will resume consideration of S. 372, the Intelligence authorization bill.

Yesterday, it was unfortunate that the Senate did not invoke cloture on the intelligence legislation. However, I did enter a motion to reconsider the failed cloture vote. We will have that vote again at some time.

Also today, at 12:30 p.m., the Senate will recess for the party conferences. We have no votes scheduled today because of the inability to move forward on the very important intelligence authorization as a result of the Republicans in unison voting against our ability to go forward. If there is no change in that, we made a couple of proposals yesterday which were all objected to, as to being able to move forward on germane amendments, relevant amendments.

We will have a cloture vote on another issue that it appears at this time the Republicans are going to block; that is, the ability for Medicare to negotiate for lower priced prescription drugs.

We are going to continue to move forward on our desire to allow the intelligence community, the 16 agencies that work for the Federal Government, working in espionage and other such important issues, to allow them to have legislation that brings us up to date. For the last 2 years, there has been no legislation in that regard because the Republicans did not move forward. We are going to continue to try to move forward even though the Vice President does not want this legislation.

We also are going to continue to speak for the American people in allowing Medicare—one of the most important programs ever developed by this country has been Medicare. I can remember my first elected job on the board of trustees of then Southern Nevada Memorial Hospital, the largest hospital district in the State of Nevada at the time. When I took that job, 45 percent of those people who were senior citizens who came to that hospital had no insurance, and children, spouses, friends, and neighbors had to agree to pay their hospital bill or they would not be taken care of.

The situation now is that virtually every senior citizen, as a result of Medicare having passed—that passed during my term of office on the board of trustees—virtually every senior citizen now has the ability to be taken care of, except Medicare cannot now negotiate for lower priced prescription drugs. The insurance industry can, the Veterans' Administration can, HMOs can, but not Medicare.

We are going to continue to try to move forward on that issue even though the Republicans obviously are being led down the wrong path by the pharmaceutical industry and the insurance industry and HMOs. We are going

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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to continue to try to do the business of the American people even though sometimes it is difficult.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for up to 60 minutes, with Senators permitted to speak therein for up to 10 minutes each, with the first 30 minutes controlled by the Republican leader or his designee and the last 30 minutes controlled by the majority leader or his designee.

The Senator from Utah is recognized.

EXPRESSION OF SYMPATHY

Mr. BENNETT. Mr. President, before I begin my statement with respect to tax day, I wish to pause and express on behalf of the people of Utah our great sympathy for and anguish over the tragedy that has occurred in the State of Virginia.

I was once a resident of the State of Virginia, and I now am a physical resident of the State of Virginia while remaining a legal resident of Utah, and I feel close to the people of Virginia.

Virginia is known for its system of colleges spread throughout the State, in magnificent rural settings. Blacksburg, VA, is one of those settings, and Virginia Tech is one of those colleges. It comes as an enormous shock, and a sense of horror, to discover that a single student can be sufficiently disturbed in this quiet kind of setting to vent all of his demons in such a manner.

I want the people of Virginia and the students and parents of Virginia Tech to know they are not alone in their horror and their grief and to share that on behalf of the people of Utah whom I represent.

TAX DAY

Mr. BENNETT. Mr. President, today is tax day, the day when most of us file for an extension so we can have another 3 months or so to work through the problems connected with our taxes. I wish to review the history of our tax system and the groundwork for an attempt to try to solve some of its serious problems.

One of the reasons we file for an extension is because the Tax Code itself is impenetrable. There are few—or I would say if any—who understand it. I remember when I was a very junior Senator here on the floor talking about health care, when President Clinton's administration was pursuing that, and making the point on the floor that the

law was absolutely beyond comprehension. I quoted James Madison, who said that the laws should be understandable, and that was part of his justification for the writing of the Constitution.

Senator Moynihan, the Senator from New York, corrected me; that is, he disagreed with me. He stood up and said: Senator, we have long since passed the point where the laws are understandable. Look at the Tax Code; there is not a soul on the Earth who understands that, so do not make the fact that the health care bill is incomprehensible a justification for defeating it.

I do not know how serious he was. Senator Moynihan was known for his sense of humor, but he was also known for his ability to go to the heart of the issue.

Let me review the history of where we got our tax systems—and yes, the last word is plural because we have basically two Federal tax systems in this country. We have the payroll tax, and we have the income tax. Both were adopted during the period of the Great Depression.

Stop and think about the conditions which existed at that time. We were in the worst economic contraction of our history. The American unemployment rate was running not only in double digits but as high as 25 percent. Of the 75 percent who still had jobs, many of them had jobs that were not adequate to their needs. It was a devastating psychological time. The historians who talk of it say that many of those who were unemployed would get up in the morning, put on their suit and tie, put on their hat, and leave the house as if they were going to work because they did not want the neighbors to know they were unemployed. The stigma of unemployment was psychologically almost as devastating as the financial stigma of being unable to meet one's bills and pay one's mortgage.

The second circumstance that was present at the time of the Great Depression was that we were in the center of the industrial age. All of us, as we went to school, remember being taught about the industrial revolution when we shifted from basically an agricultural economy to predominately an industrial economy, an economy of factories, an economy of mass—mass building, mass production, mass communications. Everything was industrialized.

The third situation that applied in those days was that our economy was basically protected by two oceans. We were insulated from the rest of the world in a very real, physical, geographical sense.

Stop and think about these three interacting with each other—serious economic contraction in the midst of the industrial age at a time when we were self-contained between two oceans. Ask yourself whether those three conditions exist today.

We are in the midst of the longest running expansion in our history, not

contraction. We are in the midst of this information age, not the industrial age. The focus of America, just as it shifted from agriculture to industry, has now shifted to the information age, and the richest man in America is not the one who owns the most land, as was true in the agricultural age, or the one who owns the biggest factory, as was true in the industrial age, but the one who has mastered the capacity of the digital code, which is true in the information age.

Finally, we are clearly not confined to a land between two oceans. Money moves around the world, ideas move around the world, and concepts move around the world with the click of a mouse.

We do not have anything like the economic circumstances that prevailed when we adopted our present tax system. Yet we continue to perpetuate those tax systems as if they still apply to our situation.

The payroll tax penalizes the working poor. It is an effective tax rate of 15 percent on the waitress who works at minimum wage because 7½ percent she has to pay and 7½ percent her employer pays that otherwise she would get in her paycheck. That is a very high, regressive tax. When it started out in the midst of the Great Depression, it was 1 percent or 2 percent, and now it has grown to a 15-percent effective rate.

While the payroll tax penalizes the working poor, the income tax discourages the productive rich. The more you produce, the more the Government comes in and says: We will take that away from you.

I have said before in this Chamber, I was fortunate enough to be involved in building a business during what many newspapers called the decade of greed. Ronald Reagan was President, and the top tax rate was 28 percent. We had basically a flat tax system. It had two tiers, 15 percent and 28 percent, but it was moving us toward a simple system, a flat rate system. If I were running that same business today, the effective rate would be 43 percent, and the difference between 28 percent and 43 percent on the earnings of that company would probably make the difference between the company surviving or not. It started out not in a garage but in a basement. It grew to 4,000 employees. Think of the tax revenue coming from those employees, think of the tax revenue coming from that successful business. Then ask yourself: Would it have been a good thing to have prevented that business from coming on board in the name of high tax rates?

We need the tax revenue. We perhaps need more tax revenue than we are currently getting. I will grant that to my friends on the Democratic side. But I suggest to them a bargain. If we want to drive to a higher level of tax revenue, let's recognize we live in a very different world than we lived in in the 1930s, when we created our present tax system. Let's talk about eliminating